

Services Acquisition FIPT
Special Session: SSM Updates
15 March 2017

Attendees:

- Brennan, Ken, OUSD(AT&L)/DPAP Services Acquisition (SA FIPT Functional Leader)
- Sweeney, Scott, OUSD(AT&L)/DPAP Services Acquisition (SA FIPT Executive Secretary)
- Weaver, Dwayne, Navy SSM
- DeSimone, Laura, MDA SSM (via phone)
- Clarke, Rob, Air Force Deputy PEO/CM
- Koufas, Ted, USSOCOM SSM (via phone)
- Williams, Harold, Army Deputy SSM
- Merchant, Col Jeffrey, DISA
- McLain, Kenneth, DLA (via phone)
- Trigg, Michelle, Air Force Deputy DACM (via phone)
- Taylor, Sherry, Army OSSM
- Whitfield, Giselle, Army DACM Office (via phone)
- Tisak, Francis, ASN RDA
- Kitchen-Ohl, Sonia, ASN RDA
- Dunbar, Natalie, ASN RDA
- Ferreira, Roger, ASN RDA
- Knight, Diane, MDA (via phone)
- Colvill, Al, DLA (via phone)
- Knierim, Carol, DLA (via phone)
- Middleton, Anita, DISA
- Long, Leroy, DISA (via phone)
- Floyd, Larry, DAU
- Pilling, Randy, DAU
- Stroup, Adam, DAU (via phone)
- Polite, Adam, HCI (via phone) (CTR)
- Murphy, Col Mimi, OUSD(AT&L)/DPAP Services Acquisition
- Hughes, Angela, OUSD(AT&L)/DPAP Services Acquisition
- Weinstein, Danny, OUSD(AT&L)/DPAP Services Acquisition (CTR)

I. Army SSM Update

- a. Mr Williams briefed Army's services overview on behalf of Mr Jason Detko, Army SSM.
- b. More than 60% of Army's total contract spend is for services acquisitions. SA total more than \$45B in both FY15 and FY16. There are more than 120K contractor FTEs employed on Army services contracts supporting Army's mission worldwide.

- c. Mr Williams briefed Army's SA organizational chart, led by the Acting ASA (ALT) and Army Acquisition Executive, Ms Steffanie Easter, and the Acting DASA (Procurement), BG Michael Hoskin.
- d. Between FY14 and FY16, there have been more than 37K new awards, valued at \$126B. Army believes there are strategic sourcing opportunities in the \$10M to \$250M and \$150K to \$10M categories, where there is currently a high number of awards representing a relatively small percentage of the total Army award value. Army's goal is to explore ways to reduce the number of transactions in these categories in order to achieve efficiencies and savings.
- e. Mr Williams briefed how Army delegates Decision Authority at each SA Category (S-CAT). Mr Williams indicated that all delegations—from Ms Easter to BG Hoskin to Mr Detko and beyond—are tracked by DASA(P).
- f. Mr Williams briefed Army's services requirements review process, emphasizing that requiring activities must consider the Services Requirements Review Board (SRRB) elements: mission need, workforce analysis, strategic alignment, other requirements, prioritization, and market research.
- g. Mr Williams briefed Army's strategic source governance structure, including an SES-level (or equivalent) Strategic Sourcing Executive Committee (which last met on 7 Mar 2017), a Strategic Sourcing Steering Group, and a Strategic Sourcing Working Group.
- h. Mr Williams summarized Army's SA accomplishments and ongoing initiatives in FY16 and FY17, including the execution of 27 Services Acquisition Workshops (SAWs) in FY16 (with another 20 projected for FY17) and the initiation of Army's post-award peer review process (POC: Ms Angela Yates, ODASA(P)). One planned initiative, the third annual services workshop that had been planned for late March, has been postponed due to the cutbacks in Defense Acquisition Workforce Development Fund (DAWDF) for FY17.

II. Navy SSM Update

- a. Mr Weaver, Navy SSM, briefed Navy's services overview.
- b. Mr Weaver briefed the organizational chart for Navy's SA team.
- c. Mr Weaver discussed two Navy SA working groups:
 - i. The Contractual Services Working Group (CSWG) is a forum that discusses and reviews service policy and best practices, offers training courses, provides data to leadership, and fosters information-sharing and collaboration among stakeholders in the Navy SA community.
 - ii. The Executive Contractual Services Working Group (ECSWG) is a high-level group providing strategic oversight of Navy's services acquisitions, planning for the future state of SA (including issuing recommendations), identifying training requirements, and overseeing the implementation of DoDI 5000.74 and other guidance.
- d. Mr Weaver provided statistics on Navy's FY16 services obligations, noting that 45% of Navy's FY16 contract spending was for services and breaking down these contract services obligations by portfolio group, funding type, and Budget Submitting Office (BSO).
- e. Mr Weaver briefed a timeline of developments and improvements in Navy's execution of SA since FY09. Mr Brennan noted the emphasis on using requirements data to standardize and align procurements and avoid "one-offs" whenever possible. Even imperfect data is better than no quantitative data at all. Moreover, there is a need to consider whether there is a desire

to move towards a single executive agent for buying a certain type of services, such as IT services (*i.e.*, an enterprise approach).

- f. Mr Weaver briefed Navy's services health assessments, outreach, and training (SHAOT) efforts, including worldwide site visits to requiring and procuring activities. The high-level objective of these efforts is to review policies, practices, and lessons learned with the SA workforce.
- g. Mr Weaver discussed Navy's Contractor Manpower Reporting Application (CMRA) tool. The FY17 NDAA has limited the types of contracts for which CMRA use is required.
- h. Mr Weaver briefed a summary of DASN AP's services training offerings in FY16. More than 500 students have taken more than 20 course offerings (mostly recurring offerings of COR 222, *Contracting Officer's Representative Course*, and ACQ 265, *Mission-Focused Services Acquisition*) at nine locations worldwide. He also briefed DASN AP's planned services training offerings for FY17.
- i. Mr Weaver noted Navy's planned improvements for how it acquires services, including the development of new processes, policies, and strategies; improved reporting and data accuracy; promoting the development and training of the non-acquisition workforce involved in SA; and improved alignment with Federal category management efforts, strategic sourcing initiatives, DoDI 5000.74 implementation, and the Functional Domain Expert (FDE) construct.

III. Air Force SSM Update

- a. Mr Clarke, Deputy PEO/CM, briefed Air Force's services overview on behalf of Ms Nancy Andrews, who serves as both SSM for Air Force and Program Executive Officer for Combat and Mission Support (PEO/CM) within the Office of the Assistant Secretary of the Air Force for Acquisition (SAF/AQ).
- b. The AF SSM's role is to serve as the advisor and focal point for all AF services acquisitions, while PEO/CM provides executive management and oversight for AF acquisitions and delivery of operational and mission support services.
- c. Mr Clarke described AF's three-structure enterprise (PEO/CM and MAJCOMs; HQ AF; and the AF SAE), each with acquisition authority, requirements-vetting responsibility, and governance oversight. Depending on the size of the service acquisition, tools such as annual execution reviews (AERs) and health assessments will be used to evaluate the status of the acquisition at various milestones. This enterprise structure, which governs approximately 90% of all AF services acquisitions, was briefed to the AF Council in May 2016.
- d. AF is currently updating AF Instruction (AFI) 63-138, "Acquisition of Services." (The current version of this AFI, dated 21 May 2013, can be found at: http://static.e-publishing.af.mil/production/1/saf_aq/publication/afi63-138/afi63-138.pdf.) Nearly 2,000 comments on the proposed update have been adjudicated to date, and it currently awaits SAF/AQ approval before publication. The updated AFI will improve on the current version by clarifying responsibilities, increasing the number of services categories (S-CATs), delineating the three parts of AF's services enterprise, codifying the services requirements review process, and instituting a quality management system.
- e. Mr Clarke briefed AF's web-based strategic management tool that is designed to manage acquisitions from pre-award through contract close-out and archiving. The tool will allow for

custom dashboards and reporting and will leverage existing databases, such as Federal Procurement Data System – Next Generation (FPDS-NG) and Contracting Business Intelligence Service (CBIS). The tool will be demonstrated at the April 2017 AF Services Acquisition Workshop; additional demos can be scheduled upon request. Mr Clarke reiterated that, in spite of DAWDF cutbacks, this workshop is still on schedule for 17–20 Apr 2017 in Colorado Springs, with approximately 350 attendees expected from various career fields and with varying experience levels.

IV. DLA SSM Update

- a. Mr McLain, Enterprise-Level Continuous Process Improvement (CPI) Design Project Team Lead, briefed DLA's services overview on behalf of Ms Roxanne Banks, DLA SSM.
- b. DLA conducted an FY16 services portfolio review of each of its 13 major activities.
- c. DLA's spending on contracted services was \$2.1B in FY16, which is approximately one half of DLA's operating budget.
- d. Concurrent to the portfolio review, DLA initiated a CPI project to improve how it determines its requirements for services and how it selects sources to fulfill those services requirements. This nearly year-long process culminated with a decision brief to DLA's Vice Director, Mr Ted Case, on 13 Feb 2017. This brief proposed the following solutions:
 - i. A real-time SRRB approval process, which would minimize administrative lead team;
 - ii. A validated, enterprise-wide database of DLA's forecasted services requirements;
 - iii. Clearly defined roles and responsibilities, and appropriate training for resources in all roles;
 - iv. A real-time strategic sourcing process; and
 - v. The alignment of authority and responsibility for standardized levels of services across the DLA to CLLs.
- e. Mr McLain briefed DLA's proposed four-tier, real-time, prioritized requirements review process. (Prioritization would be based on a requirement's dollar value, risk, and complexity.) Requirement approval would apply for the lifetime of the requirement. A specific process, decision authority, and expected review duration was proposed for each of the four review thresholds. Mr McLain indicated that, when an unplanned requirement arises, it would be sent to a stewardship committee, which would make the requisite tradeoff decisions and properly prioritize the pop-up requirement.
- f. The CPI team's analysis revealed that, among DLA's 13 major activities, seven were responsible for 98% of the Agency's contracted services spend. Accordingly, it was decided that only those seven activities would be required to undergo annual portfolio reviews (briefings to the Vice Director)—although all 13 activities would still be required to submit quarterly updates). The seven DLA major activities are as follows:
 - i. Information Operations,
 - ii. Energy,
 - iii. Logistics Operations,
 - iv. Distribution,
 - v. Chief of Staff,
 - vi. Finance, and

- vii. Disposition Services.
- g. The recommendations of the CPI team are to be rolled out over the course of CY17, with the major activities' first round of quarterly requirements forecast updates to be submitted in May and Jun 2017, the seven FY17 services portfolio briefings to the Vice Director to be held in the late summer and early fall, and full operational capability to be achieved by Dec 2017.

V. DISA SSM Update

- a. Col Merchant briefed DISA's services overview on behalf of Ms H. Katrina Brisbon, DISA SSM.
- b. DISA is comparatively early in its contracted services management process. Ms Brisbon, DISA's Vice Procurement Services Executive, was designated as SSM only in Aug 2016.
- c. Out of DISA's entire FY16 spend on contracted services (totaling \$2.5B), 76% was for electronic and communications services and 21% was for knowledge-based services.
- d. In its development of its SA processes and procedures, DISA has identified four areas of emphasis:
 - i. oversight of services requirements,
 - ii. training the acquisition workforce,
 - iii. improving buying strategies, and
 - iv. improving engagements between Government and industry.
- e. DISA is currently developing a portfolio management structure for services. Portfolio CLLs will be appointed.
- f. DISA has taken a two-tiered approach to SRRBs: a DISA Center-level review, followed by an Agency-level review. The latter is chaired by the Agency's Vice Director and Senior Procurement Executive (SPE), Maj Gen Sarah Zabel.
- g. Col Merchant briefed the results of DISA's FY17 SRRBs. The reviews scrubbed the Agency's current services requirements and validated new ones, resulting in five contract consolidations (involving a total of 23 contracts), significant reductions in bridge contracts and in "dash eight" (FAR 52.717-8, "Option to Extend Services") extensions, and renewed emphasis on HubZone small business participation.
- h. DISA identifies certain services contracts as eligible for "clean-sheeting," based on the type of work being contracted, the time until the contract is due for re-competition, and the dollar value of the contract. For selected contracts, a clean-sheeting analyst looks at a contract's requirements, deliverables, metrics, and labor. Clean-sheeting is a fact-based method to determine the cost of requirements, which arms the Contracting Officer with data that he or she can use during negotiations. Clean-sheeting is done in-house; DISA does not contract this work out. Clean-sheeting identified approximately \$20M in cost-avoidance opportunities that can be considered for upcoming re-compete efforts.
- i. Col Merchant discussed some of DISA's efforts to train its acquisition workforce:
 - i. DISA's SSM facilitated an introduction to DoD Instruction 5000.74, "Defense Acquisition of Services," and the tenets of category management in Oct 2016.
 - ii. DISA's SSM facilitated three sessions on SRRBs in Dec 2016.
 - iii. DPAP Services Acquisition hosted a one-day training "mini-conference" for DISA at Fort Meade in January 2017.

- iv. DISA also sponsors monthly acquisition excellence workshops and quarterly “DISA Contract University” training.
- j. With respect to category management, a Jan 2017 DISA CIO policy directive required centralized approval for procurement of all hardware (including computers and mobile devices). Col Merchant also discussed three new DISA contract vehicles for strategically sourcing requirements (including sustainment and R&D).
- k. DISA has undertaken efforts to improve how it communicates with and engages industry, with additional endeavors planned for the near future. These efforts include maintaining an ongoing dialogue with industry on requirements development; periodically engaging awardees on multiple-award contracts during the ordering period; and surveying both successful and unsuccessful offerors on their experiences during the pre-award, solicitation, and post-award phases of acquisition.

VI. Closing Remarks

- a. Mr Brennan thanked today’s briefers for sharing their Components’ accomplishments, future plans, best practices, and lessons learned.
- b. Mr Sweeney noted that all comments received on the draft “DoD Handbook for the Training and Development of the Services Acquisition Workforce” have been adjudicated. An updated draft of the Handbook will be distributed shortly.
- c. The first meeting of the DoDI 5000.74 rewrite IPT will meet on Thurs 16 Mar. IPT members from each Component and functional domain have been identified. Please contact Ms Angela Hughes, DPAP Services Acquisition, for additional information about the DoDI 5000.74 rewrite process.

VII. Key Upcoming Dates

- a. 20–23 Mar 2017: DoD SA Training Seminar, Leesburg, VA
- b. 4 May 2017: SA FIPT Working Group Meeting
- c. 1 Jun 2017: SA FIPT Meeting
- d. 12–15 Jun 2017: DoD SA Training Seminar, Leesburg, VA
- e. 8 Aug 2017: SA FIPT Working Group Meeting
- f. 21–24 Aug 2017: DoD SA Training Seminar, location TBD
- g. 6 Sep 2017: SA FIPT Special Session with SSMs